

WASHINGTON – Congressman Spencer Bachus (AL-6), Ranking Member on the House Financial Services Committee, delivered the following statement during floor debate today on H.R. 7231, the Auto Industry Financing and Restructuring Act.

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**We are here today because every one of us recognizes the importance of the domestic auto industry to our economy and to our manufacturing base.□ Every one of us understands the cascading effects that could be unleashed if GM, Ford or Chrysler fails.□ If one of the Big Three were to go under, that failure could bring down the auto suppliers.□ Because you can't build cars without parts, if the suppliers shut down, their failure could not only bring down the other two, it could also affect the ability of the foreign manufacturers that have been successfully building cars in the United States to keep their factories running.□ Millions of jobs are at risk.□**

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**Even though all Americans want this industry to succeed, I cannot support this plan to spend taxpayer money to bail them out.□ It is my view that any aid for the automobile industry should be limited to transitional assistance as a part of a fundamental restructuring plan and should fully protect the taxpayer.□ This legislation does not meet that standard.**

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**Some of the worst bills passed by Congress come when we rush to judgment, and my fear is that is exactly what is happening here.□ Members have had only a few hours to evaluate this bill, a measure that was the product of closed-door negotiations outside the normal legislative process and the watchful eyes of the American people.□**

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**As I said, we have only had a few hours to study this bill, but certain flaws are glaring:**

**1.□□□ We are creating a new “Car Czar,” an all-powerful presidential appointee to help the parties fix the fundamental flaws in the Big Three’s business models and contracts that have made the companies uncompetitive. Congress won’t have a role, just one man.□ And that man will have a nearly impossible task.**

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**2.□□□ The legislation imposes new mandates on the auto companies.□ If they are in such bad shape that they need billions of dollars of taxpayer help, why are we imposing new mandates on them?□ The Car Czar will have the authority to suffocate innovation at the auto companies by rejecting any transaction that “materially changes” the financial condition of the companies or if any transaction exceeds \$100 million.□ And the legislation mandates that the companies comply with state laws that impose inefficient and potentially excessive emissions**

**standards instead of more reasonable federal laws.**

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**3.□□□ The legislation imposes the wisdom of the Federal government on the Big Three.□ Although it is clear that the management of those companies have made mistakes – a lot of mistakes – the solution is not to create a command and control central economy.□ When the Federal government gets involved in private enterprise, it dooms that enterprise to failure.**

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**This was a bad process, and this is a bad bill that I believe we will come to regret.□ I urge a “no” vote.**

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